out of the price control and further directed to review drugs, which are essential and life saving in nature till 2nd May, 2003". Ministry of Health and Family Welfare has brought out the National List of Essential Medicines, 2003 after the review of the National Essential Drugs List, 1996. The matter is *sub-judice* before the Supreme Court.

The National Common Minimum Programme as adopted by the Government aims, *inter-alia,* to ensure availability of life saving drugs at reasonable prices. In the light of National common Minimum Programme and the observations of the Supreme Court in SLP (C) No. 3668/2003, the Government constituted a Committee under the Chairmanship of Joint Secretary (PI) to suggest measures for fulfilling the objectives of National Common Minimum Programme to ensure the availability of life saving drugs at reasonable prices. This Committee has submitted its interim report to the Government.

Subsequently, a Task Force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life saving drugs at reasonable prices. The Task Force has submitted its report to the Government on the 20th September, 2005.

However, the Government in consultation with various stakeholders is examining the recommendations of the Task Force. Based on that a new Pharmaceutical Policy is likely to be announced shortly.

Retail price of drugs

3388. SHRI HARISH RAWAT:
SHRI R.K. ANAND:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that there is a wide gap between the retail and wholesale prices of medicines;

(b) if so, whether any step has been taken to reduce the price gap between the wholesale and retail levels;

(c) if so, the details thereof; and

(d) if not, by when his Ministry is planning to take such steps?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (d) Prices of Scheduled drugs and medicines are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 95). The trade margin to retailers in respect of Scheduled formulations is fixed at 16%. Prices of non-Scheduled medicines are fixed by the manufactures themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The Government/National Pharmaceutical Pricing Authority (NPPA) regularly monitors the movement of prices of medicines of mass consumption marketed through trade channel and intervenes whenever instances of unreasonable increase in prices affecting public interest adversely are noticed.

The National Pharmaceutical Pricing Authority (NPPA) has collected data on trade margin being offered by the manufacturers to the retailers for a limited sample. It was noted that some manufacturers had offered high margin to the retailers. However, the market share of such medicines was small.

A Committee under the Chairmanship of Joint Secretary (PI) was constituted to examine the span of price control (including trade margin) to ensure the availability of life saving drugs at reasonable prices. This Committee has submitted its interim report to the Government. The Committee has also recommended a ceilings on trade margins of drugs. The Government in consultation with various stakeholders is examining the recommendations of the Task Force and the interim report of the Sandhu Committee. Based on this view would be taken regarding controlling the trade margins.

Economically unviable units in pharmaceutical sector

3389. SHRI S.S. AHLUWALIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Central and several State Governments owned units in pharmaceutical sector have been manufacturing vaccines and life-saving drugs;